NORWOOD SYSTEMS LTD

ACN 009 423 189

NOTICE OF ANNUAL GENERAL MEETING

and

EXPLANATORY MEMORANDUM

and

PROXY FORM

Date of Meeting:	Tuesday, 30 May 2006
Time of Meeting:	10.00 am (WST)
Place of Meeting:	71 Troy Terrace SUBIACO WA 6008

The Notice of General Meeting, Explanatory Memorandum and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Norwood Systems Ltd which this Notice of Annual General Meeting relates to will be held at 10.00am (WST) on Tuesday, 30 May 2006 at:

71 Troy Terrace
Subiaco, Western Australia

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and either:

(a) deliver or mail the proxy form by hand to the Company's registered office at 71 Troy Terrace, Subiaco, Western Australia; and

(b) send the proxy from by facsimile to the Company on facsimile number +61 8 9380 7733.

so that it is received not later than 10.00am (WST) on 28 May 2006.

Proxy forms received later than this time will be invalid.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at the close of business on 28 May 2006.

NORWOOD SYSTEMS LTD
ACN 009 423 189

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Norwood Systems Ltd ACN 009 423 189 (**Norwood Systems** or **Company**) will be held at 71 Troy Terrace, Subiaco, Western Australia on 30 May 2006 at 10.00 am (WST).

The Explanatory Memorandum that accompanies and forms part of this Notice of Meeting describes the various matters to be considered.

Terms used in this Notice of Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary of Terms as contained in the Explanatory Memorandum.

BUSINESS

Annual Accounts

To receive and consider the Financial Statements, the Directors' Report and the Independent Audit Report for the year ended 31 December 2005.

Resolution 1 - Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

> *"That, for the purposes of Section 250R(2) of the Corporations Act, the Company adopts the Remuneration Report."*

Resolution 2 – Re-election of Geoffrey Donohue as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That Mr Geoffrey Donohue, having been appointed as a director by the Board subsequent to the last general meeting of shareholders pursuant to clause 3.3 of the Company's Constitution, be re-elected as a director of the company."*

Resolution 3 – Re-election of Jonathan Asquith as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *'That Mr Jonathan Asquith, who retires by rotation in accordance with the provisions of clause 3.6 of the Company's Constitution, be re-elected as a director of the Company."*

BY ORDER OF THE BOARD

JONATHAN ASQUITH
Director **Dated: 21 April 2006**

NORWOOD SYSTEMS LTD
ACN 009 423 189

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Norwood Systems Ltd (**Norwood Systems** or **Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at 71 Troy Terrace, Subiaco, Western Australia on 30 May 2006 at 10.00 am (WST).

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting.

1. RESOLUTION 1– REMUNERATION REPORT

The Remuneration Report is set out in the Director's Report in the Company's 2005 Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company at the Annual General Meeting. However, Shareholders should note that the vote on Resolution 1 is advisory only and is not binding on the Company or its Directors.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

2. RESOLUTION 2 – ELECTION OF GEOFFREY DONOHUE

Mr Geoffrey Donohue was appointed to fill a casual vacancy as a Director of the Company effective from 2 February 2006.

In accordance with Clause 3.3 of the Constitution of the Company and ASX Listing Rule 14.4, any director appointed to fill a casual vacancy or as an additional director holds office until the next general meeting of Shareholders and is then eligible for re-election.

Mr Donohue therefore retires at the forthcoming Annual General Meeting in accordance with the Constitution and being eligible, has offered himself for re-election.

3. RESOLUTION 3 – RE-ELECTION OF JONATHAN ASQUITH

Clause 3.6 of the Constitution of the Company requires that one third of the Directors retire by rotation at each annual general meeting of the Company. Mr Jonathan Asquith retires in accordance with that clause and being eligible for re-election, offers himself for re-election at the Meeting.

PROXY FORM

APPOINTMENT OF PROXY
NORWOOD SYSTEMS LTD
ACN 009 423 189

GENERAL MEETING

I/We ☐

being a Member of Norwood Systems Ltd entitled to attend and vote at the Meeting, hereby

Appoint ☐

Name of proxy

OR

☐ Mark this box if you wish to appoint the Chairman of the Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at 71 Troy Terrace, Subiaco, Western Australia, on 30 May 2006 at 10.00am (WST) and at any adjournment thereof.

Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Geoffrey Donohue as a Director	☐	☐	☐
Resolution 3	Re-election of Jonathan Asquith as a Director	☐	☐	☐

OR

In relation to the Resolutions, if the Chairman is to be your proxy and you do **not** wish to direct your proxy how to vote on this/these Resolutions, please place a mark in this box ☐

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the meeting will not cast your votes on the Resolutions and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. The Chairman intends to vote in favour of these Resolutions.

IF THE CHAIRMAN IS TO BE YOUR PROXY IN RELATION TO THE RESOLUTIONS YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY IN RELATION TO THE RESOLUTIONS WILL BE DISREGARDED.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

__________%

Signed this day of 2006

By:

Individuals and joint holders	**Companies (affix common seal if appropriate)**
Signature	Director
Signature	Director/Company Secretary
Signature	Sole Director and Sole Company Secretary

NORWOOD SYSTEMS LTD
ACN 009 423 189

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.

2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.

3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

   - 2 directors of the company;
   - a director and a company secretary of the company; or
   - for a proprietary company that has a sole director who is also the sole company secretary – that director.

   For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.

5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.